

# EXHIBIT 8



1           Vicki Doud: I am calling this meeting to order  
2           under the auspices of the Tribal Council, the Federal  
3           Development Corporation, and the Economic Development  
4           Corporation.

5           I would like to run this meeting in an orderly  
6           manner and anybody that wants to speak must direct to  
7           the Chair. If not, then you will be asked to leave.  
8           I would like to have the Secretary call the Roll.

9           WHEREBY, Roll Call was taken.

10          It was noted that the following people are  
11          visitors of the meeting: Brian Pierson, Attorney;  
12          Bill Bayba, Partner and Friend; Kevin Shibilski.

13          Vickie Doud: And I guess I am going to ask the  
14          help of Brian to lead us through this. Do you have  
15          the meeting agenda?

16          BRIAN PIERSON: Thank you, Madame President.  
17          Thanks for inviting us here today. If anybody gets  
18          hungry, I brought bagels from Milwaukee. If you want  
19          a mid-afternoon snack, they are over there with some  
20          cream cheese.

21          "BROOKS" BIG JOHN: They are not like the old  
22          Indian days where they brought stuff in small pots.

23          BEVERLY BAUMAN: Everybody is on their New Year's  
24          diet.

1 preparation for this transaction, prepared documents  
2 that would transfer the assets of the Federal  
3 Development Corporation that relate to Lake of the  
4 Torches over to the Economic Development Corporation  
5 with a view toward the Economic Development  
6 Corporation hereafter having the control of Lake of  
7 the Torches Casino, the hotel, hotel sasino, and the  
8 Federal Development Corporation having its various  
9 activities off reservation.

10 So what I thought I would do is simply read  
11 through them. They provide overview of the  
12 transactions, read through the resolutions. I thought  
13 first, the three resolutions that accomplish the  
14 transfer of the assets from the FDC to the EDC. The  
15 reason for that order is simply that first the assets  
16 would be transferred to the EDC and then the EDC would  
17 actually be in a position to issue the bonds because  
18 the principle security that the bond buyers requiring  
19 is the revenue of Lake of the Torches and therefore,  
20 it makes sense first to consolidate those operations  
21 under the EDC before addressing the resolutions that  
22 relate to the bond itself.

23 If that makes sense, I would propose that we just  
24 start with the resolution of the FDC transferring the

1 Washington in time, so as an interim provision in  
2 order to do the financing, that at the time was a  
3 \$10.7 million-dollar financing.

4 Al formed the Economic Development Corporation  
5 under tribal law and then immediately transferred that  
6 over to the FDC as soon as the approval came down.  
7 But, Tom, there are no provisions in there for annual  
8 meetings for the shareholders, basically the tribe,  
9 and the tribal shareholders represented by Counsel  
10 under those documents.

11 There is no annual meeting like you see for big  
12 corporations.

13 TOM MAULSON: Right.

14 BRIAN PIERSON: There is nothing like that in  
15 those Articles and Bylaws. Okay, the first one that I  
16 am taking is entitled: Lake of the Torches Federal  
17 Development Corporation, and then in parentheses  
18 underneath it says: Approving 1) transfer of certain  
19 assets of Lake of the Torches Economic Development  
20 Corporation, and 2) borrowing the funds from Lake of  
21 the Torches Economic Development Corporation, and 3)  
22 local funds to Grand Soleil Natchez.

23 So this approves the transfer of the corporations  
24 to the Economic Development Corporation, but the whole



1 MURIEL FRALICK: I would like clarification as to  
2 when the \$20 million got attached to the \$30 million,  
3 that consolidation, who made that decision? And I  
4 want some documentation as to the loan distribution,  
5 where this \$20 million, if it gets approved, where it  
6 is going to go? What loans that the \$30 million is  
7 going to pay, and I don't see any security agreements,  
8 I don't see any loan agreements. I don't see anything  
9 here other than resolutions and we have four  
10 resolutions placed before us at 3:30 and we are  
11 expected to make a decision.

12 And also, one question: Can we do a part of this  
13 resolution? Can we do the \$30 million dollars, that  
14 consolidation without attaching the \$20 million dollar  
15 loan? And let me tell you why. I feel that we don't  
16 want to do the \$20 million dollar loan because we have  
17 no guarantee of obtaining a Mississippi Gaming  
18 License. I am not going to apply for that license,  
19 and when I don't apply, the Tribe will not get a  
20 Mississippi Game License.

21 So that's totally taken out of the picture and if  
22 Council passes that and decides to send the \$20  
23 million dollars down without any guarantees, Cato is  
24 still in the picture, he has not been dissolved yet,

1           we -- most of us as Council people have not been  
2           brought up to date on any of these. We have been  
3           totally left out of the picture and then told at the  
4           12<sup>th</sup> hour that you now want us to make a decision on  
5           this. I think that's very unfair. We should have  
6           been brought aware of this right from the start.

7           I am new to the Council, okay, I am not going to  
8           be up to speed on everything, but not at the last  
9           minute is this going in and expected to be (INAUDIBLE,  
10          14:54). We have a lot of tribal members that have no  
11          clue as to what the tribe is getting into. They have  
12          not had a voice in this decision from Day 1, there has  
13          not been a tribal referendum, and it's time that the  
14          people have a voice and say. Do they want to put \$20  
15          million more dollars into this tribe? Let them speak  
16          up and say whether they want to or not. That's not  
17          the decision for one or two Council people to make.

18          MYRON DOUD: It is my understanding that as we  
19          had the referendum that both the \$500 million dollars  
20          that Maulson created, to me that gives you guys the  
21          authority to do anything you want basically, eh? I  
22          mean --

23          BRIAN PIERSON: There are political questions.  
24          and legal questions. On the legal question, I can say

1 KEVIN SHIBILSKI: Sure.

2 BRIAN PIERSON: Before you do that, Kevin.

3 VICKI DOUD: Carl?

4 CARL EDWARDS: Now with this -- when you guys  
5 were doing that \$500 million, how many towns turned  
6 you down? How many towns turned us down, 36, 38? I  
7 think (INAUDIBLE, 17:30) can give you an answer to  
8 that one. He was always telling me it was 36 or 38  
9 towns.

10 JOHN BROWN: It was quite a few.

11 CARL EDWARDS: It was quite a few towns that you  
12 guys went to, to try to get a casino and there is  
13 still one sitting out there. The other question I  
14 have is since Muriel is not going to submit the gaming  
15 application for Mississippi, what is in the best  
16 interest of the tribe, perhaps you can answer or Rick  
17 can, with this loan, is it worth more -- will we try  
18 to make more money going out and selling it then,  
19 since we are not going to be able to get it because  
20 Muriel is not going to submit.

21 Is it worth more, like getting this loan and  
22 selling it or is it going to hurt by not getting the  
23 loan, and try to sell it or get out of it that way? I  
24 guess that's my other question.

1 the debt so a positive arbitrage, which is greater  
2 interest than you're paying going back to the tribe as  
3 well as a million dollars. That was the structure  
4 that we were given to take to the debt markets  
5 beginning in July.

6 You had asked us to try and finish that project  
7 by November or December and we failed in that  
8 timeframe, we took a little longer than expected, I  
9 apologize for that, and take responsibility. The debt  
10 market has been jolted in the last six or seven months  
11 so it just took longer to create a competition in the  
12 bond market to provide you with the options you need  
13 to do a wise financing.

14 It has always been structured that way, that's  
15 what they want. There has always been existing debt  
16 and new monies in this bond thing. I can tell you  
17 that. And to get to Carl's question, I think,  
18 probably, you should ask that of your partner, Mr.  
19 Bayba, or Rick. There is no question that the further  
20 along a project is, the greater the return to value is  
21 for sure, but I think I should speak to the bond  
22 issuance and not to that kind of a tactical question.  
23 Should he answer?

24 CARL EDWARDS: Rick, can you answer or should I?



1 us further in debt when no one has had a chance to  
2 reach the contract? Everyone is talking around the  
3 contract, but nobody is discussing the contract.  
4 What's in it? What's our liability? What's going on  
5 with, that's what I would like to see, before we spend  
6 any more money.

7 VICKI DOUD: Muriel?

8 MURIEL FRALICK: I would like to ask Mr. Bayba to  
9 please put that in writing, a guarantee to us, that we  
10 are going to -- if we invest \$20 more million that we  
11 are going to make more money than we will make  
12 tomorrow. Would you please put that in writing, sir?

13 BILL BAYBA: You want me to put that in writing?

14 MURIEL FRALICK: Yes, a guarantee.

15 BROOKS BIG JOHN: I guess we are getting down to  
16 some things we really need to talk about here a little  
17 bit. Maybe putting the Board into shape by just  
18 taking the time to come in tonight to appreciate the  
19 comments I have heard so far, but really got to look  
20 at what they call disclosure.

21 You know, piece the information, being informed  
22 to make educated decisions. From Day 1, I know, maybe  
23 it's my fault, maybe it's Muriel's fault, but other  
24 members of the Council, I just wonder how much they



1 home and read them for a little while before I had to  
2 come here, but for me to sit here and make a decision,  
3 gentlemen, in all due fairness, with my colleagues  
4 here and my children that I look after each and every  
5 day, I can't sit here and rationally say that I  
6 support some of these things.

7 I like the question that Muriel asked when she  
8 asked if we could bring this resolution down to two  
9 parts because I do believe we need to consolidate our  
10 debt and I do believe we need to borrow this money to  
11 get us out of this trouble that maybe a great part of  
12 the Cancun boat deal put us in. And I don't know who  
13 was part of that but some people in here do know who  
14 part of it was, when you look at bringing in the  
15 people for considerations, I always think that 10  
16 minds are better than one or two.

17 So without total disclosure, I just feel at a  
18 loss here. I feel insecure having these placed in  
19 front of me for this meeting, having to read them,  
20 having to understand them and having to put my tribe  
21 in debt to the tune of this amount of money, it makes  
22 the hairs on my neck stand up. I appreciate you guys  
23 coming here, but this is just how I feel this  
24 evening. Thank you.

1 KEVIN SHIBILSKI: Right, yeah, yeah, in case of  
2 default, of course you need to avoid it; it would  
3 wreck your credit. The longer consequences would be  
4 probably worse than the shorter consequences and it's  
5 to be avoided at all costs and that's why it is  
6 important to crunch the numbers to make sure that  
7 Central Governmental Services are not even threatened  
8 by the pledge in the cash-flow analysis.

9 But yes, in the event that the tribe would  
10 default, all kinds of nasty things would happen. I  
11 mean that's true of any financial transaction. If you  
12 don't make the payments and default, they want their  
13 money.

14 MIKE CHRISTENSEN: Would they take over?

15 MYRON DOUD: Okay, my second question, wait a  
16 minute, would they take over every operation that the  
17 tribe owns for credit?

18 VICKI DOUD: Myron, you are out of order.

19 MYRON DOUD: My second question is to Brooks and  
20 what you are talking about. Mr. Brooks, here is a  
21 question for you: How would you feel that when we  
22 rescinded that \$500 million dollar referendum we had,  
23 how would you feel about that, would you vote for  
24 that?

1           Mr. Cato, there were problems there. I think we  
2           are holding the LLC or something, the corporation  
3           (INAUDIBLE 31:11) but this project has been going on  
4           for, I am not sure, a couple of years, and it's been a  
5           good relationship, especially with Mr. Bayba, who has  
6           been -- it's been two successful operations, the hotel  
7           in Green Bay and Stevens Point.

8           I feel very safe in working with him and this  
9           project would provide us with extra income needed to  
10          provide with our people and to see it all for nothing  
11          at this point in time, it's a sad thing, and I really  
12          have no desire to see it, that's my opinion. Mike?

13          MIKE CHRISTENSEN: I understand what you are  
14          saying, Vickie, but you got to go back, look at how  
15          many deals we started off with Shullsburg how we got  
16          ripped on that by jumping at the gun at the 11<sup>th</sup> hour.  
17          All the way down the line we have had nothing but  
18          failures.

19          I applaud you here for what you did with Stevens  
20          Point and the Green Bay with the hotels and on the  
21          other hand you guys are sitting here at the 11<sup>th</sup> hour  
22          with no attorneys present to advise you what you guys  
23          are getting into. Never seen a contract, you got two  
24          attorneys sitting here who want to make their money.

1 opportunity to look at all the resolutions, but yeah,  
2 what you are saying doesn't make some sort of sense.  
3 But jump in there and get another failure, I have  
4 watched \$50,000 go out at Shullsburg, now we own land  
5 at a mine that we can't do nothing with.

6 I think it's time we stop, sit back, and take a  
7 look at it and quit looking at the lawyers. Bring in  
8 your own attorneys that are going to tell you whether  
9 it's a good deal or a bad deal. These guys want to  
10 make money just like I do, they got to sit there and  
11 chat.

12 VICTORIA DOUD: I would like to say that this  
13 isn't the 11<sup>th</sup> hour. We have been working on this  
14 second consolidation for -- we have been waiting for  
15 it, in fact, for --

16 MIKE CHRISTENSEN: I don't recall getting a copy  
17 of the contract to sit and read.

18 VICTORIA DOUD: -- we don't know -- I guess who  
19 doesn't --

20 MIKE CHRISTENSEN: It's like we have this casino,  
21 Vickie, built. Tom also didn't look at the contracts.  
22 Tom never signed them. It was your signature and  
23 Brooks signature on all the contracts that had built  
24 this. We couldn't find out where the money went or



1 Council on the progress we are making as well as to  
2 reaffirm the ongoing structure and the intent of the  
3 borrowing. I think we have had good, we always can  
4 improve if there has been any short-comings in  
5 information, I apologize, but we have certainly gone  
6 out of our way to be here many times to provide all of  
7 the information to the Council as well as the analysis  
8 of the proposed borrowing.

9 Our analysts look at your existing cash flow as  
10 well as the projected cash flow of your investment in  
11 Natchez and it is all of that that's securing the bond  
12 buyer who is willing to invest as your partner,  
13 essentially, in that operation, because they believe  
14 that it's a sound investment. The projected cash flow  
15 available for that service, after you paid all your  
16 expenses on your project in Natchez, Mississippi, the  
17 first year, the whole operation, not a partial year,  
18 in '09 is around \$18 million dollars.

19 Your debt service is about half that, so in your  
20 first full year of operation, there is substantial net  
21 cash flow available that you have to decide what you  
22 are going to do with. If you are going to pay off  
23 your debt faster, that's within, but from a business  
24 analysis perspective, this has been looked at very



1 the projects and not the tribe itself; is that  
2 correct?

3 KEVIN SHIBILSKI: I just want to speak to the  
4 second component, the Redunning Component, Brian, you  
5 can speak to that, too; it's secured debt. You are  
6 not lending it with a handshake. You're grabbing  
7 liens on everything you can which is substantial. You  
8 have real estate, you have projected cash flow, you  
9 have guarantees, personal guarantees, if that's what  
10 you are getting at the answer is the portion of the  
11 debt you are proposing to relend to yourselves and to  
12 your partners is secured debt. So should there not be  
13 sufficient funds, you have recourse.

14 BRIAN PIERSON: You are talking about the loan  
15 being made by the FDC to the LLC?

16 KEVIN SHIBILSKI: To the LLC, that's right.

17 BRIAN PIERSON: Is that your question or is that  
18 a separate question? It's true that when the tribes  
19 form these separate corporations any liability is  
20 limited for those corporations, so to that extent, for  
21 example there is no tribal trust property, there is no  
22 land (INAUDIBLE, 40:02) of looking to the cash flow of  
23 the casino for that repayment. They looked at the  
24 history of that and that's what persuaded them to loan

1 any answer to that? On all of our projects starting  
2 from Shullsburg on up or even before, are we  
3 eventually all going to become millionaires like the  
4 other reservations?

5 VICKI DOUD: I don't know if we are going to be  
6 millionaires, but we are hoping -- certainly we are  
7 hoping to budget in our own tribes and that it will be  
8 worth it (INAUDIBLE, 42:12).

9 Shullsburg is still pending, the ones that we do  
10 have are Stevens Point hotel operations and Green Bay  
11 hotel operations. We won't see any income from that  
12 until they start operating for a while before we see  
13 any actual income. We've gotten a little bit from  
14 Stevens Point.

15 But we are trying to move ahead and we try to be  
16 a progressive tribe. We don't want to be sitting back  
17 while the world is moving ahead of us.

18 VIRGINIA CHOSA: But by moving ahead it seems  
19 like we are getting further and further in debt. Now  
20 you want to debt consolidate \$30 million dollars.

21 VICKI DOUD: We have to consolidate that debt so  
22 that we can move ahead.

23 VIRGINIA CHOSA: That doesn't sound like we are  
24 moving ahead.

1           who are we getting that from?

2           KEVIN SHIBILSKI: From the Grand Soleil, LLC.

3           MURIEL FRALICK: And when are we getting that?

4           KEVIN SHIBILSKI: At the time of refinancing.

5           You created incentives in the structure of your loan  
6           to get them to refinance -- half of it is you but to  
7           get that entity --

8           MURIEL FRALICK: So we need to borrow \$20 million  
9           so they will give us a kick back of \$1 million?

10          KEVIN SHIBILSKI: Many more millions than that --  
11          you have a 1.5 percent positive arbitrage, so you may  
12          get something like \$3 million a year.

13          MURIEL FRALICK: Some day?

14          KEVIN SHIBILSKI: No, no, no immediately.

15          MURIEL FRALICK: We don't have any guarantee of a  
16          license, sir

17          KEVIN SHIBILSKI: I can't speak to that.

18          MURIEL FRALICK: I mean, how can we make money if  
19          we have no license?

20          KEVIN SHIBILSKI: The project would kick off \$3  
21          million a year for the tribe.

22          MURIEL FRALICK: If we have a license, right?  
23          And if we continue to be a part of this project,  
24          right?

1 question from earlier. This is a single bond issue of  
2 \$50 million dollars that we worked the past 5 months  
3 to put together and we bid it out. It's not like a  
4 bank loan where you can take part of it. We  
5 identified, we sold these bonds, \$50 million dollars  
6 worth of bonds.

7 We identified a buyer for these bonds and so  
8 there is no sort of halfway. And the fee to Saybrook  
9 is part of the agreement with them to cover their  
10 expenses for the purchase of the \$50 million dollars  
11 for the bonds.

12 MURIEL FRALICK: Okay, and we also talk about  
13 some LOC, the purchaser is by investors. Investors,  
14 we have no names, we don't know who is buying our  
15 bonds -- we don't know who?

16 KEVIN SHIBILSKI: No.

17 MURIEL FRALICK: Will we ever know?

18 KEVIN SHIBILSKI: No. The links are -- it's  
19 Saybrook, I mean that's but who they are as  
20 underwriters Saybrook, Nicolaus -- a bond is package  
21 unit. It's no different than a loaf of bread. It's  
22 debt and you sell it on the marketplace and it's  
23 really not the concern of the debt issuer other than  
24 the terms and the conditions of that issuance who buys



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TAPE 1 - SIDE B

BROOKS BIG JOHN: Let's get the horses in front of the carts where they belong, not as we are going about it now, put the cart in front of the horse. If we have no gaming license, you know, we have nothing, we don't get it. I hear you saying we can make some money. I think maybe we can't do it. I don't want to be a deal killer if it is a good, sensible business plan and everything's on the up-and-up and if the counsel has fully disclosed and if our people are disclosed, then there are no arguments.

We go forward in totality and the total agreement, there are no fights, there are no arguments, when are we going to get there? That's all we need to get back to. The fight can be squashed simply by informing us other Council members, getting us on board with all of these things.

Muriel has a question and is worried about, that's what I talk about, full disclosure. We are still constitutionally bound, whether I hear otherwise or not, because I wear this hat as a Council member, because I wear this hat as a corporate officer. We are still bound to that constitution. I don't care what anybody tells me. I believe that and I will go to



1 Thank you.

2 MYRON DOUD: You asked me a question, though,  
3 what was the question?

4 BROOKS BIG JOHN: How did we invest in these  
5 other companies that were non-gaming without a  
6 referendum? Since that referendum that you are  
7 talking about, that \$500 million-dollar licensee,  
8 that's the question.

9 MYRON DOUD: Probably started in executive  
10 session and everything was getting put together in the  
11 packet and then bring it to the rest of the Council.

12 MYRON DOUD: But, hey, you are right. We should  
13 have had a referendum on this.

14 VICKI DOUD: Garret Christensen?

15 KEVIN SHIBILSKI: Just a quick response. I  
16 should defer a question regarding Natchez to Mr.  
17 Bayba, absolutely, to Mr. Lindsley and I will focus on  
18 the bond issue. You had a lot of good questions that  
19 Mr. Bayba and Mr. Pierson can answer regarding the  
20 status of the Natchez project. I am not here to talk  
21 about our role, I am here to talk about the bond  
22 issue, which you hired us to do a few months ago.

23 VICKI DOUD: Tom?

24 TOM MAULSON: I got a couple of questions and one

1 explain this to me. Why we went that route? I mean,  
2 do we have no investors out there that can pick up the  
3 \$20 million dollars to buy into this venture or -- I  
4 mean, because I have heard a lot of things, even at  
5 Tribal level indicating that it will be all ours.  
6 Hopefully, it will be down the road.

7 KEVIN SHIBILSKI: From Day 1, we were hired to  
8 look at maximizing the borrowing opportunity to do  
9 both. I don't know what happened before that, I can't  
10 speak to that, but when we were hired it was to seek  
11 actually the original number was bigger than that, I  
12 think it was \$60 million dollars. It was scaled back.  
13 It was always a single borrowing with two purposes in  
14 mind, vaguely you are right. All that happened, and  
15 how that came to be that's probably it's a question of  
16 your partners at Natchez. We were hired initially to  
17 borrow with loan purposes.

18 RICK LINDSLEY: That was back in '80.

19 KEVIN SHIBILSKI: That was always that and every  
20 time we updated the balance on the status of our  
21 efforts, it was with both of those borrowings in mind.  
22 I really want to be clear, nobody has been trying to  
23 hide the nature of this borrowing from anybody and we  
24 have been here many times, me personally and others

1 TOM MAULSON: You and I were there. They had a  
2 gentleman that was in the front - mapped a portion of  
3 that instead of the tribe taking the hit for that  
4 portion of the gaming dollars.

5 RICK LINDSLEY: You are thinking of Turpin.

6 TOM MAULSON: Turpin.

7 RICK LINDSLEY: That was back in --

8 TOM MAULSON: Oh, Doherty was part of that.  
9 Doherty was going to be the other investor. It was  
10 going to be not only Doherty but the tribe, Mr. Bayba  
11 (phonetic) back there.

12 RICK LINDSLEY: Let Kevin tell you what the terms  
13 are.

14 TOM MAULSON: Maybe we need to -- I mean, that's  
15 what I am trying to say: how did we get another  
16 Doherty or whatever? I would have taken -- we  
17 probably wouldn't be here today. We'd only be looking  
18 at consolidating a loan that we need in order to take  
19 care of a debt that's out there.

20 KEVIN SHIBILSKI: May I answer?

21 TOM MAULSON: Sure.

22 KEVIN SHIBILSKI: Doherty is a company that  
23 actually -- it pieces out its loans to a variety of  
24 community banks around the country. And Turpin was

1 million?

2 MYRON DOUD: Yeah.

3 MURIEL FRALICK: I don't know. I don't know how  
4 we would pay that back. You would have to ask  
5 somebody smarter than me, probably Rick Lindsley, he  
6 has it all down as to where it is written, but  
7 however, if we weren't in some kind of trouble  
8 financially, do you think we would be doing a debt  
9 consolidation? Do you think that we are just doing  
10 that because we want to pay a higher interest rate  
11 than what we have on some of these loans? No. To me,  
12 debt consolidates when you are in trouble, but that --  
13 I am just a layman.

14 VICTORIA DOUD: As such. Debt consolidation  
15 would help the tribe.

16 MYRON DOUD: My question is: How did we get \$30  
17 million dollars in debt anyways? That's the question.  
18 We knew that we were \$30 million dollars in debt but  
19 there is no paperwork to show how we got into debt  
20 other than jumping all over the country looking for a  
21 casino.

22 VICTORIA DOUD: We have already done all the  
23 construction and renovation of the boat, the gambling  
24 boat and (INAUDIBLE, 12:43). In fact, last Friday



1 questions are understandable. Rather than harm my  
2 relationship with this tribe, this fee, I don't care  
3 about this. I have worked with this tribe in 1990 and  
4 my first involvement was with a very contentious,  
5 long-term and not lucrative civil rights case, so I  
6 feel very close to this tribe.

7 Normally, when we get involved it's because the  
8 political leadership has already made a decision that  
9 this is what they are going to do. And Kevin, I am  
10 sure feels the same way sitting here, it's like we are  
11 involved now in a meeting about whether this is a good  
12 business decision, and kind of, you know, our  
13 involvement as bond counsel is really outside the  
14 scope.

15 I understand are concerned about risk and now  
16 what comes to my mind is what are the options now if  
17 the truck is full what happens to the amount that has  
18 already been invested in Natchez and going forward,  
19 what are the options? But people should feel  
20 comfortable with their real counsel projectory is at,  
21 that we do have an ethical duty of loyalty and I  
22 personally feel a strong sense of commitment to the  
23 tribe and we have -- we circulated documents at the  
24 end of November.



1 a business judgment on it, that is something your  
2 political leaders have to make. Those are hard  
3 decisions. But I guess I would like to have some  
4 discussion of what would happen, Kevin, in your point  
5 of view now would somebody -- would you as an  
6 underwriter be able to find somebody to come in and  
7 buy out the tribe's position, just kind of think of  
8 going forward, what is in the tribe's best interest.

9 KEVIN SHIBILSKI: Surely, we couldn't close on  
10 this bond deal if there was an attempt to split in  
11 two, so this would collapse. The relative value of  
12 the project compared to where it would be three months  
13 down the road is a legitimate question, but I think  
14 Mr. Bayba is in a better position to answer that and  
15 Mr. Lindsley.

16 We were hired to seek money for refinancing of  
17 your system debt which is a very good sound business  
18 practice, I should say, it really is. It happens  
19 every day, and it is not a sign of trouble or duress  
20 necessarily at all. I mean, it happens every day and  
21 we were hired to pursue the refinancing of your  
22 existing debt, and additional monies for your  
23 investment in Natchez.

24 And while I am not making this presentation, the

1 didn't hold -- you didn't submit your application, we  
2 wouldn't receive another \$50 million dollars  
3 (INAUDIBLE, 19:54).

4 RICK LINDSLEY: That is correct, so I guess the  
5 big question, then, did you handle this and what  
6 happens in that situation, I mean, it doesn't make a  
7 lot of sense in my opinion if we only had (INAUDIBLE,  
8 20:04) without that additional \$8.7 million dollars we  
9 wouldn't be able to do marine work.

10 With it we would be able to get the sidewalk to  
11 grade our parking lot to grade to do marine work so  
12 would we be stuck at that point? When I say green  
13 work, I share with you guys' pictures, the portal,  
14 shade, the rounds, the transition barge and then also  
15 the boat, those are on hold. So we would have a nice  
16 retaining wall and parking lot down near the water,  
17 that's what we need this.

18 RICK LINDSLEY: That adds value to the property,  
19 no doubt about it.

20 BROOKS BIG JOHN: Why didn't we simply just --  
21 how come we didn't get a gaming license before going  
22 through with all of it -- construction and all that?  
23 Secondly, I want you to think about this two-parter  
24 here, how many times can we pledge our casino revenues

1 position only.

2 Go back to why didn't we apply for a gaming  
3 license before we started construction, you know, a  
4 lot of that stuff started before I came on board. The  
5 officers had already submitted applications, and Bill,  
6 maybe you can add to this, but from my understanding  
7 in talking to the Gaming Commission, and also Scott  
8 Andress, you talking, I mean, that's very normal, that  
9 you had all this in place and the licensing is  
10 something that goes on, you know, over the time frame.  
11 And Bill, correct me if I am wrong on that. I mean it  
12 was --

13 BILL BAYBA: Right.

14 VICTORIA DOUD: (INAUDIBLE 23:29).

15 BROOKS BIG JOHN: That's the question I had.

16 RICK LINDLSEY: I would like to follow up on  
17 Brooks on that. One reason, too, why this process was  
18 delayed so long is because of Cato. Cato was supposed  
19 to be -- I think you guys and leaders were due back in  
20 February of '07? Cato was supposed to be submitting  
21 at that same time. They did not complete his  
22 application until November because he kept delaying,  
23 delaying, delaying. So even our license back in the  
24 May, June, July time frame.

1           they want to look at general ledger, they want to look  
2           at gaming, I mean, it's a page long of items that they  
3           want to investigate.

4           MYRON DOUD: In essence, could that affect the  
5           whole deal?

6           MURIEL FRALICK: I have no idea. If they find  
7           impropriety, I don't know if that would affect the  
8           gaming applications, I don't know. I don't know how  
9           they came --

10          MYRON DOUD: As a matter of fact -- at this point  
11          in time, I don't think this is the time to be making  
12          decisions about anything until this audit is done.

13          BRIAN PIERSON: I have seen a number of tribes  
14          kept the same way, it could be traded but it could  
15          just

16          be one of these random things. They seem to be  
17          methodically approaching tribes with these things to  
18          address these issues. So I am just throwing that out  
19          because I know from other tribal clients that it's not  
20          necessarily a danger sign.

21          CARL EDWARDS: We are working with you for that.

22          VICTORIA DOUD: If we've got good accounting.

23          CARL EDWARDS: Thank you, Vicki. Brian, maybe  
24          you can attest to this a little bit, my experience



1 Gerber (phonetic) came over here with the loan  
2 documents that he got the proper signatures.

3 JEANNIE WOLFE: The resolution is included in the  
4 packet?

5 MURIEL FRALICK: I would like to address that \$2  
6 million. On Friday, Rick arranged for Vicki to take  
7 out a \$2 million dollar loan with the Chippewa Valley  
8 Bank. I spoke this morning to the Office of the  
9 Inspector General, we went off an old resolution that  
10 this to Vicki and Rose is being authorized to sign for  
11 any loans for the tribe so that it could fund, so they  
12 could fund Natchez and the Inspector General told me  
13 this morning that as soon as Rose was no longer a  
14 Council person or the treasurer that that  
15 documentation was null and void.

16 So as to a legality I don't think that that was a  
17 legal transfer. I don't think Vicki has the authority  
18 on one signature because if she goes with that  
19 resolution that says Vicki and Rose should sign for  
20 that loan, and Vicki did all of this on her own  
21 signature. That money was wired directly from  
22 Chippewa Valley Bank to -- we don't know where it was  
23 wired.

24 They tell us it was to Natchez for construction,

1           our heads, I believe, because we cannot split that.  
2           You said it was a two-part \$30 million and \$2 million  
3           but now you are saying we have to take the whole \$50  
4           million, is that right?

5           KEVIN SHIBILSKI: That's structure, the purposes  
6           were always as close to -- it's one issue -- we are in  
7           tuned.

8           MURIEL FRALICK: So there is no way we can get  
9           the \$30 million debt consolidation alone?

10          KEVIN SHIBILSKI: It is not our intention to hold  
11          you hostage. We're asking -- we're asking you a debt  
12          that cleared both of those purposes from the  
13          beginning. I really want to make it clear that we are  
14          not trying to force you at all --

15          MURIEL FRALICK: I understand that, I understand.  
16          I am asking you now, is there any way we can do the  
17          \$30 million dollar debt consolidation alone?

18          KEVIN SHIBILSKI: You have to start all over  
19          again, you can do that. You can't do this, but it is  
20          not going to happen fast and this \$50 million dollar  
21          deal that we put together now, and we are several  
22          months into this, identifying a bond buyer and  
23          paperwork has been done, it would roll back this deal  
24          for sure and I should - on behalf of Madame President,

1           spent \$16,012,392.00; that's the original loan for  
2           Natchez. That's not counting the receivables that the  
3           tribe holds for Natchez which would be Lindsley's  
4           expenses, tribal expenses --

5           RICK LINDSLEY: \$16,361,667.00.

6           MURIEL FRALICK: And as of today we still owe  
7           \$14,536,621.79. I could be off a little bit, but to  
8           the best of my knowledge with the documentation that I  
9           have been provided, that's what we owe, what we have  
10          invested in Natchez right now.

11          VICKI DOUD: At this time, I am going to call for  
12          a recess for 5 or 10 minutes.

13          (A BREAK WAS TAKEN - END OF TAPE 1 - SIDE B)

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1           It is not. It is certainly your prerogative, I  
2           understand that, but there are dire consequences. You  
3           jeopardize your credit; you jeopardize your investment  
4           in Natchez. So what we were hoping was maybe, you  
5           know, you probably are going to have a whole bunch of  
6           liens filed against the project, if you speak of  
7           consequences of that.

8           (INAUDIBLE, 2:00, SOUND IS DISTORTED)

9           BIRAN PIERSON: If you ask me sitting here, it  
10          would be irresponsible as the lawyer, not to say I  
11          agree, I think you will end up with loss of this  
12          investment you have which seems like a bad  
13          consequence, potential loss of reputation when you go  
14          out in the market place the next time.

15          All the concerns that were raised are sound and  
16          all the things that were said about, you know, not  
17          enough communication -- maybe it is a bad investment.  
18          I don't know, I haven't crunched those numbers. I  
19          don't know if Natchez is going to be -- I don't know  
20          if the market study for Natchez is sound, but let's  
21          say Natchez, the market study is bad and it's not  
22          really going to be profitable, you still on January 2,  
23          2008, have a decision to make and if you pull the  
24          plug, I just think you won't be able to recoup what



1 to get lawsuits and liens who is going to buy it from  
2 you? Then all the investments and money put in --

3 MIKE CHRISTENSEN: Apparently somebody must think  
4 we are something. We got a deal down in Chicago for  
5 another boat. When are we going to get our money  
6 again? It's locked up in Shullsberg, only we aren't  
7 going to get our money again, our creditability ain't  
8 hurt. I don't like high-pressure tactics, I'm sorry.

9 VICTORIA DOUD: I don't think that's high-  
10 pressure tactics, I think it's legal.

11 MIKE CHRISTENSEN: We lost a bunch of money  
12 already, what's the sense of holding off for another  
13 30 days so everybody looks over this contract and then  
14 decides on it.

15 BRIAN PIERSON: I just want to say on that, the  
16 documents have circulated, the bond indenture, for  
17 example, again a very dense document like this, I have  
18 difficulty understanding the doggone thing. I rely on  
19 my partner for those highly technical documents  
20 circulating at the end of November among the  
21 Development Team, gone through several drafts.

22 You know, we got involved in your hiring August  
23 for a deal that we understood had been in progress for  
24 a while, so I understand that at this point that there

1           MIKE CHRISTENSEN: I've got the floor. If you  
2           throw me out I will call the cops, Vilas, tribal cops,  
3           whatever you want but the same damn thing, the secrecy  
4           got us right to where we are at today from Shullsberg,  
5           everything else, right back in the same spot. We have  
6           one inch, everybody is taking our money, shelling it  
7           out and we are getting shit back and all of a sudden  
8           because we are sitting here in the audience and we are  
9           not part of what the deal was, we don't matter?

10          VICKI DOUD: We are trying to move ahead.

11          MURIEL FRALICK: If you create a disturbance, Mr.  
12          Christensen, you will be suspended. We can pretend  
13          you have been suspended today as our Treasurer by our  
14          esteemed President.

15                I was not working, I got assaulted in the hallway  
16          today and I got suspended because I created a hostile  
17          environment, that I was the one that was the accosted  
18          and attacked, yet I created that. My question, my  
19          question is: If we sign these documents and we pay  
20          that \$50 million dollar bond sale, is there something  
21          in the documentation that says we have to send this  
22          \$20 million to Natchez?

23          KEVIN SHIBILSKI: You could shut down the \$8.5  
24          simply by not applying, I am not your attorney. There

1 to go?

2 KEVIN SHIBILSKI: That \$9 -- you absolutely --  
3 you could just not apply, that \$9 would not be  
4 disbursed, that's a fact, yes.

5 MURIEL FRALICK: Just the \$9, though, that's all  
6 we can save?

7 KEVIN SHIBILSKI: Well, not saving because you  
8 are keeping the project current. You are avoiding --  
9 you know, you are avoiding lawsuits. You are creating  
10 something you can sell. You have bought a decision to  
11 make and that's all yours to make. If you decide you  
12 want to get out of this, you certainly don't want to  
13 lose your \$16 million so get current on your bills,  
14 solidify the site work and then sell it if you want to  
15 move on.

16 MURIEL FRALICK: Okay, why are we at risk of  
17 losing our \$16 million dollars, I thought we had  
18 equity in there?

19 KEVIN SHIBILSKI: If you did nothing, what would  
20 happen is all the contractors that are working on this  
21 will start a series of lawsuits again all of this --  
22 well, lien can speak to that line. Its liens, they  
23 will file liens.

24 MURIEL FRALICK: Against us as a tribe or against

1           for a way, I guess I have a fiduciary responsibility  
2           to tell you what the consequences would be and maybe  
3           there is a compromise position. At least get your  
4           bills paid, get your site work completed, get the boat  
5           there, then you can sell it.

6           Lots of people would love to buy that project, I  
7           don't think that's an issue. You can decide if that's  
8           what you want to choose to do. If you do nothing, and  
9           it falls into lawsuits and receivership and all the  
10          other nasty consequences and you do nothing, you  
11          jeopardize your \$16 million dollars invested in there.

12          So if you want out of the project, at least  
13          project what you invested, keep your bills current.  
14          If you don't apply, Muriel, the \$9 million doesn't get  
15          drawn, that clause is in there that would be a smaller  
16          borrowing under the same structure we wouldn't have to  
17          reissue this.

18          MURIEL FRALICK: So when you say the \$9 million  
19          doesn't get drawn, I don't understand that.

20          KEVIN SHIBILSKI: There is a clause in here  
21          saying you have to meet your application, the Tribe  
22          has to submit its application to this Mississippi  
23          Gaming Commission before \$9 million dollars is allowed  
24          to be accessed. It's a provision in this deal.



1 dollars, so you still would be -- you know, we  
2 wouldn't have to redo this. You would just be taking  
3 \$9 million less by virtue of what you saved earlier  
4 and I reiterate that you wouldn't be applying.

5 MURIEL FRALICK: Right.

6 KEVIN SHIBILSKI: If you don't do that, that's a  
7 consequence. And then you can still -- you can be  
8 current on your bills, you got a project that you can  
9 sell and you don't jeopardize the \$16 million. I  
10 don't see how it is possibly in your interest, for  
11 what it is worth, to undo what you have done, to  
12 jeopardize your \$16 million.

13 MURIEL FRALICK: Okay, before we make a decision  
14 on that can I see the loan distribution? Where this  
15 \$40 million is going to be, who we are going to pay  
16 off, where all this money is going to go?

17 KEVIN SHIBILSKI: That's all your contractors, I  
18 mean, I didn't do that. But your partners and Mr.  
19 Lindsley can talk to you about that.

20 MURIEL FRALICK: I mean, you know, we are going  
21 to borrow \$41 million from, right?

22 KEVIN SHILBILSKI: \$30 of that is refinancing  
23 your debt.

24 MURIEL FRALICK: Right. I mean, that's what I

1 MURIEL FRALICK: And who is going to have this \$8  
2 million dollars extra, \$7 million?

3 KEVIN SHIBILSKI: In any bond deal it goes to a  
4 trustee, a third party. Nobody touches it.

5 MURIEL FRALICK: You are going to have control o  
6 it?

7 KEVIN SHIBILSKI: No, no, no, a trustee.

8 MURIEL FRALICK: Who is the trustee?

9 KEVIN SHIBILSKI: Wells Fargo.

10 MURIEL FRALICK: Wells Fargo, they get the whole  
11 \$41 million and they dole out our payment?

12 KEVIN SHIBILSKI: No, no, remember \$30 million of  
13 this is refinancing.

14 MURIEL FRALICK: I realize that. I am talking  
15 about the total. I know \$30 million is the debt  
16 consolidation.

17 KEVIN SHIBILSKI: Yeah, right.

18 MURIEL FRALICK: I want to know who has total  
19 control of the \$41 million, the \$30 plus the \$12 or  
20 whatever.

21 KEVIN SHIBILSKI: Well it would be the \$12 less  
22 the reserves, so probably \$7 or \$8. Well Fargo would  
23 control that \$7 or \$8 million dollars.

24 MURIEL FRALICK: So can they tell us who is going

1           you go to the bank, the bank sends someone out, the  
2           plumber does his work, it is exactly that process.

3           MURIEL FRALICK: Okay.

4           KEVIN SHIBILSKI: Nobody has a checking account  
5           with all the money in it.

6           MURIEL FRALICK: But it's going to be accountable  
7           to us, also?

8           KEVIN SHIBILSKI: Absolutely, every penny.

9           MURIEL FRALICK: And it is not just going to go  
10          to one person? It's not going to go to Mr. Lindsley  
11          and not be shared with the rest of us?

12          KEVIN SHIBILSKI: No, no.

13          MURIEL FRALICK: I mean, that's been the history.

14          KEVIN SHIBILSKI: That's not my job.

15          MURIEL FRALICK: I know it's not your job but I  
16          want some assurance that the rest of us are aware of  
17          what's going on.

18          KEVIN SHIBILSKI: That's fair enough. I can  
19          assure you that Wells Fargo has fiduciary  
20          responsibility in this deal. And Brian, this is  
21          really some (INAUDIBLE, 17:15) as well. Your job is  
22          to make sure those funds are appropriately spent on  
23          your behalf, and they have to provide -- bills will  
24          be provided, lien waivers will be provided, only

1 for five-and-a-half to six months.

2 MURIEL FRALICK: Okay.

3 VICKI DOUD: Paco?

4 PACO FRALICK: I just have three questions. I am  
5 trying to understand this in its entirety. What was  
6 the reason that we can't wait a month or a week? Why  
7 does this have to be tonight?

8 VICKI DOUD: There are people that need -- that  
9 expect to be paid. There are bills that have not been  
10 paid to keep the operations going.

11 PACO FRALICK: And I am trying to understand this  
12 Cato that wants \$35 million dollars to sell his  
13 property to the Tribe. How does he fit in? What  
14 happens if we don't want to pay him \$35 million and we  
15 owe him nothing. What happens to our wholly bill on  
16 that track of land?

17 KEVIN SHIBILSKI: I could answer that, that's a  
18 good question. Mississippi anticipates that he will  
19 have otherwise you have a minority partner in a casino  
20 project who wouldn't get a license, it would hold up  
21 the whole project. So they, in their statutes have  
22 anticipated that and they created a resolution  
23 process, which prepares a third-party appraiser to say  
24 -- they come in and say hey look, this is what I can



1 KEVIN SHIBILSKI: If Muriel withholds the  
2 application that would reduce the borrowing by \$9  
3 million, you have enough of what's left (INAUDIBLE,  
4 21:10) refinancing to get your bills current and  
5 retaining wall completed so that the builder can't  
6 undo or take the money to get done. So you don't  
7 jeopardize your \$16 million. That's the short answer  
8 to that question. You have a sale, then you can  
9 decide if you want to sell it, then you have something  
10 to sell. Having the spring floods wash out what you  
11 have already done and having the liens and lawsuits  
12 that eliminates your ability to sell this investment.

13 PACO FRALICK: So you are saying we would have to  
14 have \$25 million?

15 KEVIN SHIBILSKI: No, I am saying --

16 PACO FRALICK: \$16 plus \$9.

17 KEVIN SHIBILSKI: I don't know where you are  
18 getting the \$16 from -- oh, right, right, right.

19 PACO FRALICK: But we have to spend \$25 million  
20 in the hope it sells.

21 KEVIN SHIBILSKI: Not hope, you have a valuable  
22 asset there that would sell. That's certain. If you  
23 did nothing, that's for sure, you are losing \$16  
24 million dollars and that's not a matter of opinion.

1           benefits of that amount if it is equal to the Tribe?  
2           I mean equal partners to me, one over here is equal to  
3           this one. I give \$16 million here to this group and  
4           not \$16 million there, that's hard. I don't get it.

5           RICK LINDSLEY: Brooks, with the Tribe's  
6           investment, the Tribe originally was offered a deal  
7           that was passed down, that was before my time. I  
8           don't know what happened; I don't know what the deal  
9           was. When they went back to the investor, they put in  
10          \$5, they tried to put in \$5 million dollars. We later  
11          acquired additional shares for \$3.6 million dollars.  
12          Our actual investment in the project was \$8.6 million  
13          dollars. The other dollar amount that we subsidized  
14          was \$16.3, which is approximately \$7.6 million  
15          dollars; those are loans to the project that upon the  
16          refinancing the Tribe would be reimbursed for and  
17          those who didn't then become the debt of Natchez. The  
18          Tribe's investment is \$8.6 million.

19          MURIEL FRALICK: But we are taking out the loan  
20          to pay back to ourselves? I mean, that doesn't make  
21          sense.

22          RICK LINDSLEY: Right now, it's the Tribe's debt.  
23          In the refinancing, it will be Grand Soleil's debt, so  
24          the Tribe then is --

1       dollars without any guarantee that he would ever be --  
2       made whole.

3               MURIEL FRALICK: Well it's nice to know that and  
4       it would have been nice if we knew that.

5               KEVIN SHIBILSKI: I think that's a testament of  
6       his character that he did that without flinching. He  
7       could have come here and put you on hold, but he  
8       didn't, he wrote a check. I know only one person in  
9       the world who did that, and I know you know, too, he  
10      is standing right there.

11              You are going to ruin not only your project, but  
12      you are going to ruin your partner's project if you do  
13      nothing. That's a fiduciary fact, and I am obliged to  
14      tell you that. You can sell the project, that's your  
15      call, that's a political decision, that's all your own  
16      decision, and that's all yours but you ought to know  
17      the consequences of doing nothing is prepare to lose  
18      your \$16 million dollars and to lose millions for your  
19      partner as well. Think about that before you go and  
20      waste all this.

21              MURIEL FRALICK: We probably should have did a  
22      little investigating on all this before --

23              KEVIN SHIBILSKI: He is high on the project. He  
24      is very happy with the project.

1 (INAUDIBLE, 28:48, TALK OVER) -- the project and the  
2 \$10 million guarantees.

3 MIKE CHRISTENSEN: How much land do we own as a  
4 Tribe down there?

5 MR. BAYBA: 55 acres.

6 MIKE CHRISTENSEN: Is that in your name or in our  
7 name, do we have a clear title to it?

8 MR. BAYBA: It's in the name of the LLC.

9 MIKE CHRISTENSEN: It's another corporation that  
10 means zip and you are going to stick it to us again.  
11 We already went through this with the Dream Catcher,  
12 we already went through this with Shullsburg. How  
13 many more times is the (INAUDIBLE, 29:12) going to  
14 take a beating at our expense and sit back and tell us  
15 you are doing a job for us? That's upsetting to me  
16 that we lose all this damn money down the drain.

17 Another guy comes in here, you have a letter,  
18 great, an LLC corporation. You guys better get in a  
19 lawyer that is going to talk for you and make you  
20 understand what is going down and not to have somebody  
21 and say hey give me some money and you're done. Get a  
22 couple of more lawyers, here's some more money and  
23 you're done. We have been taken to the cleaners, how  
24 many times because like Muriel said,



1 down the tubes. We own land up in Shullsberg, it went  
2 down the tubes. We have another investment going down  
3 the tubes, the stock market crashes every day, you  
4 don't get nothing back, Vicki.

5 VICTORIA DOUD: You don't let anybody respond.  
6 We still own land on the Shullsburg and if we buy it  
7 at --

8 MIKE CHRISTENSEN: \$300,000.

9 VICTORIA DOUD: -- then what it was worth.

10 MIKE CHRISTENSEN: \$100,000 going to an  
11 underground mine, land, drilling and we can't do  
12 nothing, Vicki.

13 VICTORIA DOUD: That's your opinion of it.

14 MIKE CHRISTENSEN: I have heard our DNR people  
15 tell us you can't put pillars underground for the boat  
16 --

17 VICTORIA DOUD: I don't know -- I don't know if  
18 the suggestion would be -- (INAUDIBLE, 31:20, TALK  
19 OVER) I know you direct me to do a lot of things.  
20 There might be going with the \$40 million rather than  
21 -- we need to stop all this back and forth. Bring it  
22 out in the open, no more hiding; bring it out in the  
23 open.

24 CARL EDWARDS: I want to introduce the issue for

1 borrowing of funds from Lake of the Torches  
2 (INAUDIBLE, 33:06) Corporation, and three, (INAUDIBLE,  
3 33:08) funds to Grand Soleil Natchez, LLC.

4 BETTY JACK: And that's in the best interest of  
5 all the Tribal members, Vicki?

6 CARL EDWARDS: And if you want to sell it, we can  
7 sell it, that's fine.

8 VICKI DOUD: We want to move on to the next order  
9 of business, please.

10 KEVIN SHIBILSKI: We need a motion on all five of  
11 those resolutions. I just put that out, that wasn't  
12 for all of them.

13 CARL EDWARDS: Then I guess the second I will  
14 introduce for the EDC Revenues proving the transit of  
15 assets from FDC, from the loan funds for the FDC which  
16 are both under the EDC.

17 MURIEL FRALICK: Could somebody please explain  
18 this resolution to me? I'd like it read word-for-  
19 word.

20 VICKI DOUD: Resolution introduced.

21 MURIEL FRALICK: I mean I don't understand this.  
22 Could somebody please explain it to me?

23 BROOKS BIG JOHN: Under discussion, I have some  
24 questions that I believe need to be addressed here,

1 SECRETARY: Whereas we (INAUDIBLE, 36:04, READING  
2 VERY FAST) Under the economic Development Corporation,  
3 whereas Lake of the Torche's Economic Development  
4 Corporation, the Corporation is (INAUDIBLE, 36:14) is  
5 controlled by the LDF (READING FAST, TELEPHONE  
6 RINGING) is the governing body of the Corporation,  
7 (INAUDIBLE, 36:30, TELEPHONE RINGING) The Articles of  
8 Incorporation.

9 MURIEL FRALICK: What are these articles of? Can  
10 you pull those out and read them to me?

11 GERALDINE BROWN: The Articles of Incorporation  
12 (INAUDIBLE, 36:47) the Order of Directors has the  
13 authority to do all things necessary to actively and  
14 aggressively participate in all matters pertaining to  
15 a social, economic and industrial welfare of the band  
16 and to engage in any lawful or activity which may be  
17 necessary and appropriate for caring all and  
18 accomplishing any of the foregoing purposes  
19 (INAUDIBLE, 37:09).

20 And whereas, the Tribe has also formed a wholly-  
21 owned corporation chartered by the Secretary of  
22 Interior in Section 17 of Indian (INAUDIBLE, 37:14)  
23 Reorganization (INAUDIBLE, 37:15), LOTC Federal  
24 Development Corporation and whereas on August 13,

1 reservation.

2 The amended Articles of Incorporation of the  
3 Corporation include language in Article 4 are also  
4 included in the original Article of Incorporated Draft  
5 in 1995, that this Corporation is a Not-For-Profit  
6 Corporation and no dividends or (INAUDIBLE 39:14)  
7 shall be declared to any private individual of Officer  
8 or Director of the Corporation.

9 And whereas Articles are a result of (INAUDIBLE  
10 39:24) and the records to the Corporation as a  
11 (INAUDIBLE 39:30) not-for-profit Corporation are  
12 misleading because the Corporation tries to earn as  
13 much profit as possible, to run governmental services  
14 that benefit members of the Tribe.

15 And whereas in no event could the Corporation  
16 qualify for Charitable, 501-C3 status under the  
17 Internal Revenue Code because its activities do not  
18 qualify (INAUDIBLE 39:49) and the Internal Revenue  
19 Service has issued a ruling that (INAUDIBLE 39:53) all  
20 Corporation chartered under Tribal Law Shares, the  
21 owners immunity from Federal Income Tax and we are  
22 recommending that the Articles that characterize the  
23 Corporation under the for-profit Business Corporation  
24 wholly owned by the Tribe will not affect the Tribe's



1 LLC, for purpose of those Grand Soleil projects.

2 And whereas the loans from the FDC to Grand  
3 Soleil, LLC, will be originated by Grand Soleil, LLC,  
4 at the rate interest of 2.75 percent higher than the  
5 rate of interest paid by the Corporation to the bond  
6 holders and the FDC will act as a conduit for  
7 transferring all payments to Grand Soleil for the  
8 Corporation. The Corporation is used to make the  
9 required payments to the loan and the bond.

10 Whereas the directors of the corporation and sole  
11 shareholder believes 1) The consolidation of the Lake  
12 of the Torches Grand Casino ownership, the management  
13 and Corporation, 2) The amendment of the Articles, and  
14 3) The loan to the FDC to be in the best interest of  
15 the Corporation and its sole shareholder.

16 Therefore, be it resolved that the Resolution is  
17 approving consolidation of LOTC Casino under the  
18 Corporation, resolved that the acquisition of the FDC  
19 as it originally purchased the casino by the  
20 Corporation is hereby approved, and that all three  
21 resolved the Lease Assignment for the Corporation, the  
22 FDC dated September 1, 1995, casino site terminated  
23 and the Corporation owned and operate the entire Lake  
24 of the Torches Casino under the lease issued to the

1 Corporation be and is each hereby authorized to  
2 deliver the Purchase Agreement subject as shown in  
3 these documents and (INAUDIBLE, 43:59) so executed  
4 (INAUDIBLE, 44:00) other parties there who against  
5 delivery to the Corporation of the Purchase Agreement  
6 but that additional agreement, instruments, documents  
7 (INAUDIBLE, 44:06) by the other party.

8 Thereto, be it further that Article 4 of Articles  
9 be reaped as needed (INAUDIBLE, 44:15), Article 3, and  
10 also that Article 3, (INAUDIBLE, 44:16) be amended in  
11 its entirety to be the sole shareholder of the  
12 Corporation of the Tribe and interest of the  
13 Shareholder shall be represented for all purposes by  
14 Members of the Tribal Council who shall represent the  
15 shareholder's interest (INAUDIBLE, 44:34) issued only  
16 during the term of office.

17 And be it further resolved that the loan from the  
18 Corporation of the FDC for purposes of the FDC loan,  
19 Grand Soleil, as described above is hereby approved.

20 And be it further that the Officers of the  
21 Corporation be and then is hereby is authorized  
22 (INAUDIBLE, 44:49) directed in the name and on behalf  
23 of the Corporation that such loan documents as may be  
24 required to loan funds to the FDC (INAUDIBLE, 44:59).

1 46:00) as their sole discretion and especially be  
2 necessary, proper, and hereby advisable in order to  
3 carry out the essential intent and to accomplish the  
4 purpose for the (INAUDIBLE, 46:10) Resolutions and  
5 fully perform the obligations and appropriations again  
6 (INAUDIBLE 46:14) documents get delivered pursuant  
7 thereto. And finally resolve that any and all actions  
8 heretofore (INAUDIBLE 46:22) made by the Officers of  
9 the Corporation consist of (INAUDIBLE 46:30) foregoing  
10 Resolutions be and they hereby are ratified, confirmed  
11 and approved in all respects.

12 MURIEL FRALICK: Can you summarize that in all  
13 one paragraph and tell me what were you reading?

14 BEVERLY BAUMAN: What was she reading?

15 MIKE CHRISTENSEN: There was one thing in there  
16 that you read about two signatures.

17 GERALDINE BROWN: For the Resolution?

18 MIKE CHRISTENSEN: You were reading fast and all  
19 you said was two signatures and the FDC --

20 GERALDINE BROWN: You talk fast.

21 CARL EDWARDS: -- and the FDC -- what is the FDC?

22 MIKE CHRISTENSEN: Federal Development  
23 Corporation.

24 CARL EDWARDS: Oh, I thought you said FCC. It is